

Article #19

Annual Spring Town Meeting 2014

Business Personal Property Recollection

Article: #19

"That the Town vote to transfer from Overlay Surplus the sum of \$36,500 for technical services of a consultant, appraisal firm, and/or hiring temporary personnel, along with related expenses to assist the Board of Assessors in meeting the certification standards by the Department of Revenue for the valuation of Business Personal Property, or take action in relation thereto."

(Petition of the Board of Assessors)

Report from the Board of Assessors:

There are approximately 700 Personal Property Business Accounts in Town. Due to the complex and labor intensive nature of Personal Property, the Assessors will maintain the high degree of accuracy to these accounts by seeking outside professional help.

Through the undertaking of the Assessor's Office, Personal Property was contracted out to a Professional firm for Fiscal Year 2014. We were able to generate \$348,294 Tax Dollars in Personal Property new growth for Fiscal 2014. This process only includes the discovery, deletion and valuation of accounts.

Our request of \$36,500 breakdowns down to approximately \$52 dollars per account for Business Personal Property.

(\$36,500 / 700 = \$52 per account)

OVER ADDITIONAL INFORMATION

PERSONAL PROPERTY

Personal Property market value can be defined as the price that dealers in the assets would accept and purchasers are willing to pay when the assets are bought and sold in the normal course of business.

Personal property should be valued annually in accordance with an acceptable appraisal methodology.

An annual review of personal property accounts should be undertaken to ensure accurate valuation. This review should include identifying the owners of personal property located in the community as of January 1 to determine taxable status, information on the taxable assets and the valuation of those assets.

Annual discovery of accounts should take place through a review of building permits, business permits issued by the town clerk, a review of the business directory and/or other newspaper and internet sources and by field review.

The assessors' record for each personal property account should include the owner's legal name, business name, tax billing address, business location in the community, asset listing and value. The asset listing should identify specific items and include for each item the age, count, replacement cost new, the depreciation percent and the replacement cost new less depreciation (RCNLD) value. After itemization, the taxable value of each category of personal property should then be totaled (e.g., fixtures, furniture, machinery, inventory, etc.).

Verifying or completing a listing of the individual items of taxable personal property for each account should be based on on-site inspections or review of Forms of List. Each account must be inspected at least once every 9 years and review of Forms of List should be performed annually. In the absence of either a current on-site inspection or Form of List the account assets should be estimated based on similar accounts or business models to account for any possible acquisitions or dispositions.

Valuation of the taxable property must be performed in accordance with an appropriate and uniformly applied appraisal methodology. All cost and depreciation tables need to reflect the current valuation date and be applied to each account in a consistent manner. Taxable items should be valued and depreciated through the tables and schedules established.

Non-taxable accounts must be set up in the appraisal system and contain the owner's legal name, business name, tax billing address, business location in the community, asset listing, value and the reason the account is not taxable.

Accounts that are not taxable due to falling below a small personal property exemption adopted by the community must be reviewed annually for compliance.